



March 15, 1999

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**APPEALS OF MMS ORDERS  
NOTICE OF PROPOSED RULEMAKING  
64 FR 1930, JANUARY 12, 1999**

Dear Sir:

Chevron U.S.A. Inc. ("Chevron") appreciates the opportunity to comment on the subject proposed rule. As one of the largest federal lessees, Chevron is affected by the proposed rule and offers the comments below.

These comments supplement those submitted on behalf of Chevron by Patricia Dunmire Bragg of Gardere and Wynne. Chevron also endorses and adopts herein the comments submitted by American Petroleum Institute.

The proposed rule is flawed in that it fails to reflect the consensus recommendations unanimously adopted by the Royalty Policy Committee or the requirements of the Federal Oil and Gas Royalty Simplification and Fairness Act ("FOGRSFA"). Far from achieving the primary aim of the Royalty Policy Committee, namely, impartial review of orders in a one-level appeal process before the Interior Board of Land Appeals, the proposed rule merely attempts to impose unreasonable procedural and jurisdictional bars on lessees while obtaining maximum advantage for the government by means of extending the 33-month period. Rather than implementing the wishes of Congress and the recommendations of the Royalty Policy Committee, the proposed rule merely subverts them. Chevron urges that the proposed rule be changed to truly reflect the consensus recommendations of the Royalty Policy Committee and to faithfully implement FOGRSFA.

Respectfully submitted,

A handwritten signature in cursive script that reads "George W. Butler III".

George W. Butler

GWB:sdf